

Message Text

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: DECEMBER 2 EA PRESS SUMMARY

1. INDOCHINA

FRI GOA AGREED GIVE BACK TO VN "SONG BE 12," BUT MAINTAINED
REFUSAL RETURN REFUGEES. FON MIN PEACOCK SAID VIETS THEM-
SELVES WOULD HAVE MAKE ARRANGEMENTS SAIL BOAT BACK (REUTER
CANBERRA). REUTER DARWIN (SUN) REPORTS 3 VIET MIL GUARDS
WOULD BE SENT BACK W/VESSEL/4 CREWMEMBERS REPORTED TO HAVE
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DECIDED RETURN. MEANWHILE, WOODEN-HULLED BOAT CARRYING
75 REFUGEES ARRIVED DARWIN THURS, ADDING TO REFUGEE FLOOD
ARRIVING AUSTRALIA LAST 2 WKS--591 HAVE ARRIVED SINCE MID-
NOV; 989 SINCE '75 (ALSO GLOBE DARWIN).

2. PHILIPPINES

PHILS AIRLINES ANNOUNCES IS SEEKING CUT TRANS-PACIFIC FARES
BETWN MANILA/SAN FRANCISCO FROM 610 TO 349 DOLS (REUTER
MANILA).

3. THAILAND/VIETNAM

JOINT COMMUNIQUE ISSUED HANOI, FOLLOWING VIENTIANE TALKS,
SAID THAILAND/VN TO GO AHEAD W/PLAN AGREED TO LAST YR TO
ESTABLISH DIPLO RELS/EXCHANGE AMBASSADORS (REUTER BANGKOK).

4. ASEAN

JOC'S LORENZ (KL) SAYS FLOW OF MIDEAST CAPITAL INTO
INDONESIA/MALAYSIA WILL GIVE THEM CERTAIN EDGE OVER
NEIGHBORS FOR MAJOR INDUSTRIAL PROJECTS. FIRST SIGN AL-
READY SEEN SINCE SUHARTO'S RETURN FROM MIDEAST/LAUNCHING
1ST ISLAMIC DEVELOPMENT BANK'S INVEST IN MALAYSIA.

5. JAPAN

AT 12/2 TOKYO PRESS CONF, ECON EXTERNAL AFFAIRS MIN USHIBA
SAID JAPAN WILL OFFER "LARGE CONCESSIONS" TO HELP
RESOLVE TRADE DISPUTE W/US. HOWEVER, ADDED UNREALISTIC
TO EXPECT JAPAN COME UP W/SUDDEN OVERALL SOLUTION TO
TRADE SURPLUS PROBLEM, SAYING SURPLUS WOULD BE "GRADUALLY
EVENED OUT." NOTED TRADE CONCESSIONS WOULD OBVIOUSLY
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APPLY TO EUR/ELSEWHERE AS WELL AS US (REUTER'S WEEKS,
TOKYO).

STR STRAUSS TOLD REPORTERS IN WASHINGTON 12/1 JAPAN
MUST MAKE MAJOR TRADE CONCESSIONS OR CONGRESS WILL PASS
TOUGH LAWS RESTRICTING IMPORTS FROM JAPAN. SAID "LITTLE,
MINIMUM" PKG UNACCEPTABLE TO US, AND "FUKUDA KNOWS IT."
STATED MAJOR BREAKTHRU MUST COME BY EARLY SPRING,
ADDING FUKUDA CABINET SHUFFLE "VERY POSITIVE STEP
FORWARD"/NOTING NEW JAPANESE OFFICIALS "VERY SENSITIVE"
TO US POSITION (WSJ).

JAL AIR CREWS HAVE EXTENDED TO 2ND DAY 24-HR STRIKE IN
ORDER BACK DEMANDS FOR BETTER WORKING CONDITIONS. SO
FAR, STRIKE HAS PREVENTED 72 OF 119 INTL/DOMESTIC
FLIGHTS FROM TAKING OFF (REUTER TOKYO).

6. KOREA

ETHICS CMTE HAS SUBPOENAED FROM NE LA UNIV PAPERS OF
FORMER REP PASSMAN (D-LA), WHO WORKED CLOSELY W/TONGSUN
PARK IN EARLY 70S TO ARRANGE SALES LA RICE TO ROKG.

ASST STATE ATTY GEN SAID HE WOULD TAKE CASE "UNDER ADVISEMENT"/COULDN'T SAY WHEN HE WOULD DECIDE HOW UNIV SHOULD RESPOND (REID, WP).

FEDRL JUDGE HAS RULED HEARING ON CHARGES AGAINST ACCUSED KCIA AGENT HANCHO KIM/HIS WIFE BE HELD IN SECRET BECAUSE GRAND JURY TESTIMONY WAS TO BE DISCUSSED. SECRECY REQUESTED BY USG PROSECUTORS/AGREED TO BY KIMS' DEFENSE LAWYERS. JUDGE ALSO SEALED FROM PUBLIC VIEW NUMBER NEW

DOCUMENTS FILED IN CASE, INCL MOTIONS TO DISMISS INDICTMENT AGAINST KIM (SUN).

SEC INVESTIGATING SUSPECTED SHIPMENT 10,000 DOLS FROM UNCLASSIFIED

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SK EMB IN WASHINGTON TO RETIRED USAF GENRL ROBERT SMITH IN SEOUL. SMITH NOW VP FOR FE OPNS E-SYSTEMS INC, WHICH HAS REFUSED COMMENT WHILE SEC CASE PENDING. COURT RECORDS DID NOT DISCLOSE ANY REASON FOR ALLEGED MONEY TRANSFER OR ITS ULTIMATE DISPOSITION (LAT'S JACKSON, 12/1).

SK NATL ASSEMBLY HAS UNANIMOUSLY PASSED NATL BUDGET ALLOCATING OVER 1/3 EXPENDITURES TO DEFENSE IN 1978--YR US TROOP W/DRAWAL BEGINS. DEFENSE SPENDING UP 27.2 PCT OVER 1977 LEVEL (REUTER SEOUL).

7. CHINA

ACCORDING "ASIAN WALL STREET JOURNAL," PRC HAS PURCHASED SOME 60 USED CARGO VESSELS SINCE SPRING '77 (AP HK WSTAR 12/1). SAYS MOSTLY STANDARD CARGO VESSELS WILL BE USED TRAIN OFFICERS FOR PRC MERCHANT MARINE.

THORPE (WSJ TOKYO) REPORTS PRC NOW SELLING FEWER SOYBEANS TO JAPAN--SITUATION SEEN HELPING US FARMERS, SINCE JAPAN LIKELY TURN TO US MARKET TO MAKE UP GAP.

ACCORDING ANNOUNCEMENTS POSTED ON PEKING MAIL BOXES, PRC WILL INTRODUCE ZIP CODE TYPE NUMERICAL POSTAL CODING SYSTEM IN JAN. CALLED "ZEP" CODE, SYSTEM WILL FIRST BE USED FOR LTRS FROM PEKING TO SHANGHAI, KIANGSU/LAONING PROVINCES (REUTER PEKING).
COMMENT AND ANALYSIS

8. JAPAN

WP'S ROBINSON (BRUSSELS) SAYS EUR OFFICIALS, IN WK-LONG MTG UNCLASSIFIED

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W/JAPANESE OFFICIALS, HAVE ECHOED US' BLUNT CRITICISM JAPAN'S TRADE SURPLUS. REMARKS EUR PROTECTIONIST SENTIMENT FUELED BY INCREASING EC TRADE DEFICIT W/JAPAN, EXPECTED REACH 5 BIL DOLS THIS YR. EC OFFICIALS DEMANDING SWIFT, EFFECTIVE ACTION FROM JAPAN, THREATENING CRACKDOWN IF RESULTS NOT FORTHCOMING QUICKLY. ALSO CITES EUR OFFICIALS' FEAR EC MAY BE LEFT "PAY THE TAB" OF IMPROVED US/JAPAN TRADE RELS, NOTING EUR POLICYMAKERS "WATCHING WITH ANXIETY" US/JAPAN TALKS/WONDERING IF RESULTS WILL BE ADVANTAGEOUS ONLY TO US.

LAT'S SMITH (SF CHRON 11/25) REVIEWS ENTIRE US/JAPAN TRADE SITUATION. NOTES JAPANESE ESPECIALLY RELUCTANT MAKE DRASTIC CUTBACKS IN EXPORTS TO US, AS MILLIONS OF JOBS DEPEND ON EXPORT SALES. REMARKS JAPANESE OFFICIALS SEE TRADE SURPLUS AS "MORE AMERICAN PULL THAN JAPANESE PUSH." QUOTES CHIEF ECONOMIST KAPLAN, OF JAPANESE-FINANCED US-JAPAN TRADE COUNCIL IN WASHINGTON, THAT JAPAN ONLY SMALL PART US' EXPECTED 30-BIL-DOL TRADE DEFICIT THIS YR; SAYS EVEN BALANCE W/JAPAN WILL NOT SOLVE US PROBLEM.

9. CHINA

BANISKY (SUN) DOES FEATURE ON HAN SUYIN, WHO RECENTLY SPOKE BEFORE BALTIMORE'S "US-CHINA PEOPLE'S FRIENDSHIP ASSN." AUTHOR HAN RECENTLY COMPLETED BOOK "WIND IN THE TOWER," SECOND HALF OF MAO TSE-TUNG BIOGRAPHY. HAN DESCRIBED ABJECT PROVERTY OF CHINA BEFORE COMMUNIST REVOLUTION, NOTING NEW CHINA "PARADISE" COMPARED TO OLD. TOLD GROUP SHE WAS OPTIMISTIC THAT POST-MAO CHINA SETTLED POLITICALLY; THAT LEADERS INTENT ON TECHNOLOGICAL PROGRESS--"ESPECIAL- LY," SHE SAID, "SINCE WE GOT RID OF THE GANG OF FOUR." ALSO SAID SHE WAS "TERRIFIED" CHIANG CHING--PERSON SHE FELT DEVOID OF ANY HUMAN KINDNESS.

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WP'S ZITO INTERVIEWS FRANK SNEPP ABOUT "DECENT INTERVAL," WHICH ZITO SAYS IS FILLED W/"OUTRAGEOUS TALES OF BURAUCRATIC BUNGLINGS"--HOW FACTS THAT DIDN'T JIBE W/WHAT WASHINGTON WANTED TO HEAR WERE REVISED; HOW OTHER FACTS CHANGED TO GIVE IMPRESSION FEW MORE BIL DOLS WOULD WIN WAR; HOW HAK WAS DUPED BY SOVIET DIPLOS INTO THINKING

HANOI WOULD NEVER INVADE SIAGON; HOW THOUSANDS VIETS/CIA
FILES ABANDONED IN RUSH TO CLEAR OUT OF SAIGON. ZITO
DESCRIBES HOW BOOK WAS WRITTEN/PUBLISHED CLANDESTINELY.
SAYS GUILT BROODS IN SNEEP, WHO TOLD HIM IN INTERVIEW BOOK
WRITTEN TO "EXORCISE THE GHOSTS." VANCE

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